

# General Support for Local Schools

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## Mission

To provide for and advance a free and world-class education for all of Indiana's children through financial support of local schools.

## Summary of Activities

Over 70% of all operating funding for local schools comes from the state, comprising the largest single item in the state budget. Most of those funds are distributed on a per-student basis via the state tuition support formula, which also sets local property tax rates for school general fund property tax levies. Almost one million children enrolled in public schools in Indiana for the 2000 - 2001 school year.

State funds help maintain 1,946 school buildings in a safe and healthful condition in 293 school corporations, providing salary and benefits for 58,759 full-time teachers, 9,728 administrators, 19,227 instructional support personnel, and 37,392 non-certified personnel. Nearly twelve thousand school buses in Indiana transport students to public schools on a daily basis, having amassed a total of 77,753,813 route miles for school year 1999 - 2000. Other state programs provide the funds by which schools meet federal and state mandates for desegregation, and defray the costs of capital projects.



Dr. Suellen Reed  
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While schools are managed by locally-elected school boards, Indiana also has a **State Board of Education**, appointed by the Governor, and a state **Department of Education** (DOE), which is overseen by the elected Superintendent of Public Instruction. Recently, a bipartisan Education Roundtable that includes public and private stakeholders was created and has been working to implement a world-class system of rigorous standards and accountability for Indiana.

The **Teachers' Retirement Fund** (TRF) provides pension benefits to over 30,000 retired teachers and information to an additional 85,000 active teachers. TRF manages an investment portfolio of over \$5 billion. Pension benefits for teachers hired prior to 1996 are paid from annual state appropriations; benefits for teachers hired after 1996 are actuarially funded from contributions made by local school corporations.

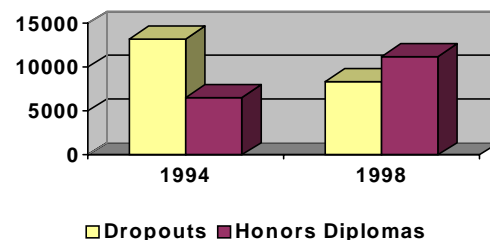
## External Factors

The cost of public education is in large part a function of the number of students who enroll in school each year. In Indiana, that number continues to climb -- the state experienced a total of 2% enrollment growth over the last five years. DOE projections indicate that enrollment will rise by 15,000 students over the next five years. Due in part to rising fuel prices, transportation costs have risen by \$37.45 per pupil from 1997 to 1999. Public demands and expectations of Indiana's public education system continue to increase yearly.

## Evaluation and Accomplishments

All Hoosier students are expected to meet rigorous yet attainable academic standards. Improvements in academic results during the past biennium have been significant. Attendance and graduation rates are at an all-time high— 95.6 and 89.4 percent respectively. Expectations have been raised and have resulted in an increase in the number of graduates following the "Core 40" college preparatory curriculum, from 13,956 in 1998 (the first year Core 40 diplomas were available) to 16,184 in 1999—a gain of 16 percent in one year.

**Fewer Dropouts, More Honors Diplomas**



The number of Academic Honors Diploma recipients has risen from 6,586 in 1994 to 11,241 in 1998, to 12,576 in 1999—a gain of 91 percent. Dropouts have declined from 13,307 students in 1994-95 to 8,427 students in 1998-99—a decrease of 37 percent.

Indiana's ACT scores continue to be above the national average (21.2 to 21.0 in 1999, and 21.4 to 21.0 in 2000). SAT scores have risen six points since 1995-1996, while the national average rose only three points.

A recent study by the Indiana University Education Policy Center indicates that Indiana has made significant progress over the last eight years in improving funding for local schools. Among the findings:



- ◆ Per-student funding has increased by 18% in inflation-adjusted dollars.
- ◆ The percentage of school funding that comes from local property taxes has been reduced.
- ◆ The percentage of school funding directed to economically disadvantaged students has increased.
- ◆ The percentage of variation between school corporations in per-student funding that can be attributed to differences in local property wealth has dropped from 23% in 1993 to 5% in 2001.
- ◆ The difference in funding between the highest-funded and lowest-funded school corporations has been reduced.
- ◆ The difference in local tax rate between the highest and lowest taxed school corporations has been reduced.

## Plans for the Biennium

After oversight by the Education Roundtable and rule adoption by the State Board of Education, the DOE will implement Indiana's new accountability system for K-12 schools effective July 1, 2001. In addition, Standards 2000 in English and mathematics, followed closely by science and social studies standards, will be distributed, added to lesson plans, and aligned with the state's statewide testing system for implementation beginning in fall 2002.

